

though it demanded that the interface be made available by April 1997. Likewise, AT&T delayed the release of Pacific's flowthrough process for basic exchange migration orders this summer when it failed to have its systems ready for testing. As MCI suggests in its comments (albeit indirectly), MCI and other carriers were ready for the flowthrough release, but had to wait for AT&T to complete its testing. (MCI's Comments, p. 27.) The Commission should dismiss AT&T's unreasonable request to shorten the timeframes for delivering electronic interfaces that incorporate industry-adopted guidelines.

Moreover, the Commission should reject AT&T's proposal that would require the ILECs to keep "at least three prior quarterly interface releases available to the CLCs to maintain continuity." (AT&T's Comments, p. 15.) In other words, AT&T demands that Pacific maintain pace with the most current industry guidelines, while the CLECs might lag behind well over a year. This proposal is inefficient and unreasonable. Pacific would be required to keep multiple versions of each interface available, which would require a huge investment of resources and overhead. For example, Pacific would have to deploy sufficient resources just to maintain testing environments for all the prior releases. In addition, Pacific would have to invest significantly greater resources to configure software that would interact effectively with prior releases. (In other words, each time Pacific upgraded an interface, the software would have to be configured in a way that it could still interact with the last three releases.) Such a requirement would be tremendously wasteful and inefficient.

Finally, the Commission should not order the ILECs to make any interfaces available if the CLECs are not committed to using them. It would be extremely wasteful and unreasonable to require the ILECs to develop systems and interfaces that the CLECs will not use.

*b. Interfaces With No Industry Guidelines*

As stated in Pacific's opening comments, where no industry guidelines exist, Pacific will provide CLECs with access to the same ordering interfaces used by Pacific's own service representatives. In March 1998, the CLECs will have (1) direct access to Pacific's order provisioning system, SORD, (2) direct access to the same order-writing interface used by Pacific's own service representatives, Starwriter, (3) real-time access to

Pacific's pre-ordering databases through Datagate and Verigate, in addition to the access provided on an integrated basis through Starwriter and SORD, and (4) industry-guideline based order writing capability for both resale and UNEs, via LEX and EDI interfaces.

With such access, CLEC service representatives will have the ability to perform all pre-ordering and ordering functions in substantially the same manner as Pacific's own service representatives. In addition, Pacific will continue to build and add interfaces in accordance with the national industry guidelines, as they are established, and where commercially practicable, so that CLECs can continue to build their own customized corresponding interfaces to interact with Pacific's systems. However, nothing in the Act requires Pacific to develop customized EDI interfaces with each CLEC prior to the industry's adoption of guidelines for particular functions of those interfaces. Such efforts would greatly deplete resources dedicated to implementing a common interface for which industry guidelines exist, and would subject both Pacific and the CLEC to costly and inefficient re-work associated with modifying these interfaces once industry guidelines are developed.

*c. Continuous Availability of Prior Interfaces*

Pacific refers to the remarks made in its opening comments, and to the remarks on this subject in part *a.*, above.

*d. Specifications and Dispute Resolution*

AT&T suggests imposing a requirement that all disputes regarding system specifications be resolved before any development begins. In accordance with the ordering and billing forum guidelines, the ILECs – i.e., the carriers providing the service – retain final control over the method of interface functionality. The ILECs cannot give multiple CLECs control over the content or timing of interface development as this would surely forestall development.

With numerous CLECs, it is reasonable to expect that they will have different needs, and that they will provide input that is often conflicting with one another. Taking those differences into account, the ILECs' responsibility is to provide an interface that will best service the CLEC community as a whole, trying to serve the needs of as many CLECs as possible, and adhering to industry guidelines where practicable. If the ILECs

were required to wait until the CLECs reached consensus with each other and with Pacific, on all issues, most releases would be delayed significantly while disputes are resolved, revisited, reargued, and so on. Because it is the ILECs who are charged with making the necessary interfaces available on a timely basis, not the CLECs, it is the ILECs who must have final control over how and when development begins and implementation takes place.

Moreover, as explained above, certain CLECs have already demonstrated that they will attempt to delay the implementation of new releases for their own self-interests when their own systems are not ready, even though other CLECs are ready and prepared to avail themselves of the improved systems. The ability of a particular CLEC to hold up a release when other CLECs are ready is not good for competition, and should not be condoned by the Commission.

3. *Testing and Capacity*

a. *Interface Testing*

Pacific's approach to testing, as stated in its opening comments, is reasonable. If other carriers want to test with Pacific, they have that opportunity. If other carriers want to test with Pacific prior to implementation, but their systems are not ready, Pacific provides them an opportunity to participate in a trial with Pacific after implementation.

AT&T's approach is unreasonable because it requires Pacific to withhold the implementation of an interface until carrier-to-carrier testing has been conducted, presumably with each interested CLEC. (AT&T's Comments, p. 17.) Under this approach, one CLEC that is not ready to test would have the ability to delay the implementation of an interface that other CLECs are ready to use. Apparently, AT&T expounds this approach because it has lagged behind on testing for certain interfaces and systems. However, as MCI suggests, CLECs that are ready for implementation should not have to wait around for those that are not. (MCI's Comments, p. 27.)

AT&T's approach is also unreasonable because it attempts to give the CLECs veto power over the implementation process by requiring that testing be completed to the satisfaction of the CLEC before implementation can begin. Again, it is the ILECs, not the CLECs, who are charged with the obligation of making the necessary interfaces

available for all CLECs. Accordingly, the ILECs retain control over the timing of implementation, and one CLEC cannot be allowed to delay the entire process when it is not ready, or ostensibly not satisfied with its testing.

*b. Capacity*

Pacific reiterates that the Commission's proposal is ambiguous in that it does not define or explain how "reasonably expected demands" shall be determined. The CLECs must be required to cooperate in the development of "reasonably expected demands" by providing timely and accurate forecasts to the ILECs. Certainly, in their normal course of business, the CLECs already prepare and rely on detailed forecasts so that they can manage and deploy their own resources appropriately. Thus, it would impose no added burden on the CLECs to require them to share that information with the ILECs. The CLECs' general unwillingness to do so to date has been inexcusable.

**Appendix B Issues**

The natural starting point for the interim performance measures should be the measures proposed by Pacific in Appendix B of its opening comments. Those measures are based largely on the measures that are being developed with the Department of Justice, and on measures contained in interconnection agreements with AT&T and MCI in Texas through mediation, and with AT&T in Missouri by agreement.

Because the measures proposed by Pacific are a product of the give-and-take process of negotiations and arbitrations, they are presumptively fairer and more reasonable than the measures proposed by the LCUG. As the Federal Communications Commission recently stated in its Ameritech-Michigan order, "specific performance measures adopted by a state commission in an arbitration decision [are] more persuasive evidence of commercial reasonableness than a standard unilaterally adopted" by one party outside the context of an interconnection agreement. (*See, Application of Ameritech Michigan to Provide In-Region, InterLATA Services*, CC Docket 97-137, *Memorandum and Opinion*, FCC 97-298, released August 19, 1997, para. 141.)

Contrary to the impression conveyed by its name, the LCUG is not an impartial, nationally-recognized "standards body." It consists of five long-distance carriers, all of

which have strong self-interests in this proceeding contrary to Pacific's. The LCUG measures were unilaterally prepared by the long-distance carriers without any input from Pacific, and without any review by any relevant governing body. As far as we are aware, the LCUG measures have not been approved by any state commission, or been adopted in any interconnection agreement with any ILEC in any state.

The measures proposed by Pacific, in contrast, reflect the fairness and appropriate balancing that results from negotiations and arbitrations between parties having adverse interests. In addition, the measures proposed by Pacific closely mirror those being developed with the DOJ, which agency has been conferred with substantial deference under the Telecommunications Act for purposes of evaluating 271 applications.

The purpose of developing performance measures with the DOJ is to establish a set of measures that will allow the DOJ to evaluate, for 271 purposes, whether ILECs are satisfying their obligation to provide nondiscriminatory access to their operations support systems, one of the principal reasons the Commission instituted this proceeding. (OSS Order, p. 6.) The measures substantially take into account the DOJ's evaluation of and comments on Ameritech's Michigan filing and Southwestern Bell's Oklahoma filing for interLATA approval, under section 271 of the Act.<sup>1</sup>

Moreover, the measures proposed by Pacific, which are far broader and more comprehensive than those set forth in any of Pacific's interconnection agreements, contain many of the same measurements contained in the LCUG measures. The LCUG measures are divided into eight categories: Pre-Ordering, Ordering and Provisioning, Maintenance and Repair, General, Billing, Operator Services and Directory Assistance, Network Performance, and Interconnect/Unbundled Elements and Combinations. Pacific comments on each of these categories below.

With respect to "Pre-Ordering," Pacific currently provides access to pre-ordering functions via CLEO. In March 1998, Pacific will add three methods: Starwriter, Datagate and Verigate. Pacific has agreed to provide the average response time for all of these interfaces in its proposed measures. However, Pacific cannot practicably report this information by carrier. Moreover, if two functions within an interface both access the

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<sup>1</sup> The proposed measures are being developed by the SBC companies in conjunction with the DOJ.

same system, the response times would be the same for each function. Because Datagate and Verigate access the same "back office" systems, average response time will be reported according to the path a particular request takes for those interfaces.

With respect to "Ordering and Provisioning," Pacific has agreed to provide most of what is contained in the LCUG measures. In discussions with the DOJ, the SBC Companies have agreed to provide average installation interval, percent orders installed within the standard interval, percent missed due dates due to company reasons, percent company missed due dates due to lack of facilities, percent installation reports within 30 days, percent mechanized rejects, percent mechanized rejects returned within one hour of the start of the batch process, percent firm order confirmations (FOCs) returned within 24 hours, service order accuracy, provisioning accuracy and percent order process flow through. There are two measurements Pacific has not agreed to provide: mean jeopardy interval and percent jeopardies returned. In SBC negotiations with CLECs, all parties have agreed, for practical and economic reasons, that these two measurements would not be provided until such time that the jeopardy process is mechanized.

In regard to "Maintenance and Repair," Pacific has agreed to provide all the measurements listed in the LCUG measures. In addition, Pacific will provide percent out of service less than 24 hours, as has been discussed with the DOJ.

The "General" category of the LCUG proposal has three measures: percent system availability, mean time to answer calls, and call abandonment rate. Pacific will provide system availability measurements for all existing interfaces, plus additional interfaces as they become available. Average speed of answer will be provided for both the Local Service Center and the Local Operation Center. The LCUG proposes tracking call abandonment rate, presumably to determine whether calls are abandoned because the wait is too long. Call abandonment rate is highly correlated with average speed of answer (ASA); the higher the ASA, the higher the call abandonment rate. However, call abandonment rate may be misleading, because it assumes all abandons are due to the length of time waiting in queue. In fact, there may be many reasons why a CLEC chooses to hang up before a service representative answers the call. Thus, it makes more

sense to simply track ASA and obtain the relevant information directly, rather than tracking call abandonment rate and relying on assumptions that may be erroneous.

With respect to "Billing," Pacific has agreed to provide measurements for timeliness, accuracy, and completeness of billing to the CLECs. In general, Pacific's proposed measures are similar to the LCUG proposed measures. The first category of billing measures in the LCUG is Timeliness of Billing Record Delivery for Usage and Invoices. Pacific's Timeliness of Usage Delivery measure addresses the LCUG's Usage measure with the following key differences. Pacific's measure uses the time when the usage records are made available to the CLECs, and not when the data is "successfully transmitted," on the theory that *the CLECs are responsible for retrieving the data*. Pacific does not limit when the CLEC can retrieve the data once it is made available, and thus should not be held accountable for when the data is retrieved by the CLEC. In addition, the LCUG uses the unit of measure as hours, instead of days; the latter is far more reasonable, both from a practical and a historical perspective. As a practical matter, because the information is delivered on a daily usage feed, measuring this performance in units of time that are less than a day (e.g., hours) does not make sense. From a historical perspective, this performance is generally measured in days in Pacific's interconnection agreements. The LCUG also speaks to alternately billed usage, i.e. bill-to-third party, collect, etc. Pacific has a strong objection to including this usage in its measure since Pacific has minimal control over timeliness. Pacific's Billing Timeliness measure addresses the LCUG's "Invoices" measure, but in a more relevant and complete manner. The LCUG speaks to the timeliness of *individual* invoice delivery. Pacific sends all their invoices for a particular bill at one time, in a batch, so timeliness of individual invoices is meaningless. In addition to timeliness of invoices, Pacific includes all bill types as well, e.g. paper, EDI, etc. Lastly, LCUG uses "scheduled close of bill cycle" as the start time, where Pacific asserts that the most direct measurable point to begin is the "bill date." Rarely is there a difference; however, the latter is more easily established and trackable.

The second category of billing measures in the LCUG is "Accuracy of Billing Records." This category again incorporates Usage and Invoices, but combines accuracy in terms of completeness and formatting. Pacific separates out content accuracy by

reporting billing accuracy, which will be measured by performing a bill audit on a statistically valid sample of bills across wholesale (i.e., unbundled network elements and resale) and retail operations. The sample will include specific billing conditions unique for each of the operations. (Please note: This process is still under development, however, as it supports measure #9 in Appendix B.) Completeness of billing will be measured by sampling orders for services that appear on a bill and calculating the percentage of those that are on the correct bill from a time standpoint, i.e., are not delayed. And lastly, formatting accuracy is addressed in two measures: accuracy of bill delivery and accuracy of usage delivery (which will have to be made by the CLEC and reported back to Pacific). They measure the percentage of mechanically transferred records which pass format edits unique to the industry standard formats for EDI and EMR, for example.

Pacific's measures for "Operator Services and Directory Assistance" are similar to the LCUG measures. Due to the serving arrangement, the CLECs and Pacific are served using the same network, ensuring that all customers are served in parity. In fact, there is no practicable way to gather results separately for CLEC and Pacific. Therefore, these measurements should be reported on an aggregate basis. In addition, the calculation for grade of service differs somewhat in that, instead of using percentage of total calls answered within 10 seconds, the measure being managed to at this time is percentage of 1/2 hours answered within "x" seconds, with 12 seconds applicable to DA, and 10 seconds to OS. Again, this is a technical limitation associated with the switch.

Pacific has strong objections to the measurements in the section entitled "Network Performance." The intent of this measurement is to measure the transmission quality of the loops (subscriber loop loss, signal to noise ratio, idle channel circuit noise, loop circuit balance, circuit notched noise, and attenuation distortion), as well as measuring the speed of connection (dial tone delay, post dial delay, and call completion delivery rate). These measurements reflect engineering standards or guidelines. At the time a circuit, loop, or switch is designed or engineered, it is engineered to meet certain specifications. This process occurs for both CLEC customers as well as Pacific's customers. The process ensures that parity necessarily exists for network performance. In order to



measure what is required by the LCUG, a statistically valid sample would be required from each CLEC and Pacific by market area. It was suggested in the AT&T and MCI arbitrations in Texas that, on performance measurements, an appropriate sample might be a maximum of 1,000 lines from each CLEC and Southwestern Bell for each market area, to be sampled and reported on a quarterly basis. If, for illustrative purposes, we assume conservatively that 50 CLECs will be providing local service in California, this would equate to 204,000 observations quarterly ( $50 \text{ CLECs} + \text{Pacific} = 51 * 1000 \text{ observations} * 4 \text{ market areas}$ ). These tests would require Pacific to dispatch a technician to the customer premise as well as have a technician available in the central office in order to perform the requested tests. Pacific only conducts this type of testing at the time the service is installed, and only if a trouble is reported by the customer. Clearly, Pacific does not have the resources to perform this type of testing in order to simply provide a measurement of an "upstream" process when there is no indication a problem exists. Moreover, if lack of parity were to exist with respect to network performance, it would manifest itself in other measures, for example, trouble reports. Thus, it would be discovered through the measures proposed by Pacific, and dealt with accordingly.

The final category of measures in the LCUG document is "Interconnection/Unbundled Elements and Combinations." The measures in this category reflect the availability and accuracy of databases such as AIN, LIDB and 800 number. These databases are deployed on service control points (SCPs) and integrated service control points (ISCPs). The measures requested are percentage of databases receiving a response, percentage of database queries experiencing time outs, percentage of database responses with invalid responses, mean time for database query, mean time for database updates, and mean post dial delay (PDD) for calls routed to CLEC OS/DA. Pacific and the CLECs access these databases via the Signaling System 7 (SS7) network. Since access to the network will necessarily be on a nondiscriminatory basis, the CLECs and Pacific will necessarily experience the same levels of service. Currently, Pacific does not collect or use the measures requested except in instances of trouble isolation. There is no mechanized collection process in place. Since parity is ensured by the design of the

network, these measures will only add expensive and burdensome reporting requirements to the ILECs.

In sum, the measures proposed by Pacific should be the natural starting point for any development of performance measures in this docket. It would be grossly unfair and inefficient to adopt or even start with measures, such as the LCUG's, that were unilaterally developed by self-interested parties with no input from parties having any interests adverse to the LCUG members, and which have not been adopted anywhere. Moreover, it would be a terrible waste of resources to duplicate the significant efforts that have been made in negotiating and arbitrating interconnection agreements with the CLECs, and in developing measures with the DOJ.

## **Issue 2: Cost Recovery**

In their opening comments, various parties suggested that Pacific should incur the costs of monitoring the quality of its OSS performance. As stated in Pacific's opening comments, Pacific agrees with that approach. All carriers should be responsible for ensuring that local competition exists. Part of that responsibility includes taking the necessary steps to ensure that operations are functioning at the appropriate levels. Instituting and monitoring performance measures is a reasonable method in which to ensure that parity of service is being provided by Pacific to the CLECs. However, Pacific strongly disagrees that it should incur the costs of instituting and monitoring *various sets* of performance measures, particularly where the parties demanding different measures have already agreed, in other forums, to measures on which Pacific's measures in this proceeding are based. Accordingly, Pacific requests that the Commission establish a cost-recovery mechanism to compensate Pacific for measuring any *new* performance measures that Pacific will not already be monitoring as part of any interconnection agreement, or as part of its reporting to the DOJ.

### Issue 3: Facilities-Based Competitors

Pacific's proposed measurements ensure that facilities-based competitors will have a meaningful opportunity to compete in the local market. For this reason, Pacific opposes the additional measures proposed by or on behalf of the facilities-based carriers. Nevertheless, Pacific is willing to negotiate additional reciprocal performance measures with the facilities-based competitors, to the extent that such carriers believe measures are necessary and appropriate for 911 and directory assistance databases. \*

The measures suggested by the facilities-based coalition for E911 functions appear reasonable, except for the measures on "selective router updates" and "ALI database updates." In these two instances, Pacific suggests several adjustments. The accepted measures should be 24-48 business hours (3-6 business days). In addition, the Master Street Address Guide (MSAG is a database that incorporates street and address information provided to the ILEC by each county) is currently provided to CLECs on CD-Rom within 72 hours of request (the timeframe ordered by the State of California in the Local Competition decision). Pacific follows the parameters within its tariff in providing the relevant information within the above noted timeframes.

Certain other measures proposed for the facilities-based CLECs are not workable or practicable. Pacific responds to these measures, as follows:

*Average Service Loss for Inbound Calls.* Pacific uses a flow through process to provision interim number portability ("INP") on the due date, provided a due time is established by the CLEC on the original service request. The service will automatically be provisioned at that due time (or within a few minutes of the due time) without human intervention. Service orders for INP will be provisioned in the central office switch, in a nondiscriminatory manner, together with all other flowthrough orders (wholesale and retail) that have a similar due time. If no due time is provided by the CLEC, INP will be provisioned some time after 12 midnight and before 8am on the due date, as part of normal batch processing of all service orders without specific due times.

If the CLEC provides a due time on the order, then the flowthrough provisioning process will be invoked and the INP service will be provisioned at the due time with no more delay than any other service orders that are to be automatically processed at that time.

The proposed metric would require the measurement of the time interval between the due time and the time when translations are processed in the switching machine. Because there is no automated way to assimilate this information, this data could only be gathered and aggregated manually, requiring an order-by-order review. Because these orders are necessarily processed in parity with all service orders that are automatically provisioned (both retail and resale), the tremendous burden in manually compiling the necessary data does not justify the measure.

*Percent Missed Cutover Dates and Times.* Assessing missed due times presents the same problem as described for the "Service Loss" measure. It also would require an overly burdensome manual process. In addition, on all service provisioning, activities do not occur precisely at the cut time, but within a few minutes tolerance window. The proposed measure unreasonably allows for no tolerance. Therefore, any cut occurring even one minute past the due time would be counted as a miss.

Pacific has already committed to measuring Percent Missed Appointments (Due Dates), which will provide the relevant information for determining whether CLECs are receiving service at parity.

*Operator Services/Directory Assistance.* For both operator assistance ("OA") and directory assistance services ("DA"), Pacific has offered to measure grade of service and average speed of answer, and to report these results as an aggregate for Pacific and CLECs. Mean hold time and average work time would be meaningless measures for DA, as the operator has no way to distinguish an ILEC customer from a CLEC customer. As a result, parity is ensured. For the same reasons, average work time can only be measured on an aggregate basis.

Although it is technically feasible to identify CLEC customers for OA service, the procedures used by operators to provide this service are identical for all customers. Moreover, there is no incentive, financial or otherwise, to handle customers differently. In fact, to handle one group of customers inefficiently would drive unnecessary expense into the process.

*Call Abandonment* This is an inappropriate measure because a customer can abandon an attempt to contact OA or DA for any number of reasons. The appropriate measures are grade of service and average speed of answer, which will ensure that all customers wishing to reach OA or DA will be able to do so in a timely manner.

**Call Blockage.** OA and DA trunks are available for all traffic whether it originates with a CLEC or from the ILEC. Access is non discriminatory. In the case where a facilities-based CLEC contracts for stand alone OA and/or DA from Pacific, purchasing the appropriate number of trunks is the CLEC's responsibility.

**Code Opening--NXX Loaded and Tested Prior to LERG Effective Date.** The process for opening CLEC codes within the Pacific network is essentially the same as for opening a new code for Pacific, and is therefore nondiscriminatory. There is no incentive to discriminate against any CLECs when opening their NXX codes, since failure to do so may also generate trouble reports to Pacific. If our own customers cannot reach CLEC customers because the CLEC code was not opened, they will be dissatisfied and likely report their complaints to Pacific repair.

**Code Opening--MITR For NXX Troubles.** Pacific has offered to measure receipt to clear duration for all CLEC troubles. To try and differentiate at the level of a code-opening problem would be extremely burdensome and would require rigorous manual tracking.

#### **Issue 4: Performance Standards**

As stated in Pacific's opening comments, the law requires *parity*. Accordingly, where analogous types of services exist on the retail side, the appropriate measure should be a simple *comparison* between the level of service that Pacific provides to itself and that which it provides to the CLECs. Performance standards, in contrast, impose an arbitrary level of performance that may have no basis in parity. Pacific could be in compliance with the standard, yet not be providing parity of service to the CLECs. (For example, Pacific could be providing service to the CLECs within the standard interval, yet be providing much better service to itself.) Likewise, Pacific could be deemed to be out of compliance with the standard, even where it is providing parity of service to the CLECs. (For example, Pacific could be providing service to the CLECs outside the standard interval, yet be providing the exact same level of service to itself.)

Certain CLECs, such as AT&T, agree with the comparative measure approach. (AT&T Comments, p. 8.) In contrast, other carriers, such as MCI, have suggested performance standards that are not based on any valid statistical data. Pacific strongly urges the Commission not to adopt any performance standards where analogous retail

services exist. But under no circumstances should arbitrary levels of performance be set without substantial evidence in the record to support the proposed standard.

#### **Issue 5: No Mandated Interfaces**

In their opening comments, no parties have demonstrated that the law requires Pacific to implement any particular OSS interfaces. Indeed, the FCC has expressly stated that the ILECs are not required "to follow a prescribed approach in providing access to OSS functions." (*Application of Ameritech Michigan to Provide In-Region, InterLATA Services*, CC Docket 97-137, *Memorandum and Opinion*, FCC 97-298, released August 19, 1997, para. 135.) The ILECs' obligation is simply to provide access that will allow the CLECs to perform OSS functions in "substantially the same time and manner as the incumbent performs that function for itself." (*Id.*)

Pacific is providing access to its OSS functions through both a gateway and through various other means. As explained earlier, the CLECs will be provided, in March 1998, access to additional pre-ordering and ordering functions that will allow their representatives to perform such functions in substantially the same manner as Pacific's own service representatives. In addition, Pacific will continue to build and add interfaces in compliance with the national industry guidelines, as they are established, and where commercially practicable, so that CLECs can continue to build their own customized corresponding interfaces to interact with our systems.<sup>2</sup>

#### **Issue 6: No Mandated Access To Legacy Systems And Upgrades**

For the reasons stated in our opening comments, the Commission should not mandate direct access to, or require upgrades to, the ILECs' legacy systems. (*See, also*, GTEC's Opening Comments, pp. 14-17.) The Act, and the FCC rules promulgated thereunder, simply require that the CLECs be provided equivalent access to the OSS functions and processes that the ILECs provide to themselves. (*Application of*

<sup>2</sup> In response to a request made in the past by Time Warner, asking that Pacific make available to the smaller carriers a less costly alternative to application-to-application interfacing, Pacific made PC-based access via a modem available to the CLECs. Citing cost reasons, Time Warner now asks that Pacific be required to provide PC-based access via modem on a  *toll-free*  basis. This request is unreasonable. Pacific should not be required to incur the CLECs' costs of operating their own business.

*Ameritech Michigan to Provide In-Region, InterLATA Services*, CC Docket 97-137, *Memorandum and Opinion*, FCC 97-298, released August 19, 1997, paras. 129-137.) They are not entitled as a matter of right to direct access to the ILECs legacy systems. Moreover, as stated above, in March 1998, Pacific will provide the CLECs with direct access to SORD and Starwriter, access to Datagate, Verigate and LEX, and access to an EDI order-writing interface for both resale and UNEs. These additional forms of access will provide the CLECs' representatives with the ability to perform all pre-ordering and ordering functions in substantially the same manner as Pacific's service representatives.

#### **Issue 7: GTEC Performance Measures**

For the reasons stated in nearly all commentators' opening comments, GTEC should be held to the same performance measures as Pacific.

#### **Issue 8: Capacity Forecasts**

Pacific understands well that the Commission is "most concerned with Pacific's capacity to process the service orders received from the CLECs." (OSS Order, p. 8.) AT&T complains, however, that Pacific has not provided accurate capacity forecasts, or that it has failed to provide forecasts altogether. (See, e.g., *AT&T's Comments*, p. 39.) That assertion is false. Pacific provided capacity forecasts to the CLECs, including AT&T, during the resale complaint cases earlier this year. Pacific's forecast has been reasonably accurate, although it has remained untested since the CLECs are not generating sufficient orders to test the limit. Pacific has had excess capacity for several months. It estimates that it can process over 5,000 orders per day, while the CLECs are submitting only around 3,000 orders per day.

Pacific's order-processing capacity has improved steadily throughout the year. At the time that the record closed in the resale complaint cases in May, Pacific was processing about 1,400 orders per day. It can now process over three times that amount. The CLECs in contrast have recently receded from the local market. As press reports indicate, MCI apparently grossly underestimated the costs associated with entering the local market, and suffered substantial losses by offering a flat rate service to customers

accuracy?



ever wonder why??

for both local and local toll calls. In addition, MCI's merger with WorldCom suggests that MCI may continue to move away from the local residential market, and focus on business customers.<sup>3</sup> AT&T, for its part, has been unable to keep up with Pacific and other CLECs with respect to systems development. AT&T demanded that Pacific implement by April 1997 an EBI gateway for maintenance and repair, which Pacific did, but AT&T has not been able to test the interface, possibly due to lack of resources.<sup>4</sup> Further, as MCI indirectly suggests in its opening comments, AT&T held up the release of Pacific's RMI 5.9 flowthrough earlier this year when MCI, Sprint and Genesis were ready for implementation. (MCI's Comments, p. 27.)

Pacific supports the Commission's request for capacity forecasts.<sup>5</sup> However, the Commission must not overlook the other side of the equation. Pacific strongly urges the Commission to investigate the CLECs' plans to enter the local market and the CLECs' own performance levels. Clearly, the CLECs' ability to process their own orders in a timely and accurate manner will have a direct impact on their ability to compete effectively in the local market. Likewise, the CLECs' apparent lack of interest in the local residential market will also have a direct impact on the rate at which they penetrate the local market, particularly since those orders would be far simpler for Pacific and the CLECs to process compared to the more complex orders associated with the business customers being targeted by the CLECs.

In supporting the Commission's request for capacity forecasts, Pacific reiterates its need for detailed forecasts from the CLECs. As reflected in the interconnection agreements between Pacific and the CLECs, accurate forecasts from the CLECs are vital to Pacific's ability to manage and deploy its resources efficiently and effectively. Underforecasting jeopardizes Pacific's ability to meet its performance commitments to the CLECs. Overforecasting causes Pacific to dedicate excess capital and resources that

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<sup>3</sup> Further, MCI still suffers from a high error rate on its service orders, which has not improved since the time of the resale complaint cases, and which substantially exceeds the error rate of most other CLECs.

<sup>4</sup> Press reports indicate that AT&T is under a two-year cost cutting plan, during which it will trim \$2.6 billion in costs and layoff 17,000 employees.

<sup>5</sup> Pacific objects to the nature of forecasting recommended by AT&T. Pacific cannot predict how many orders will be rejected per day or how many cancel acknowledgments will be issued per day. Due to the vagaries inherent in the process, such as varying error rates and varying product mixes, Pacific can only estimate the total transaction volume that a system or process can handle in the aggregate.



are left stranded or underutilized. Lack of forecasts (as has generally been the case) leaves Pacific guessing as to how to allocate its resources. The Commission should mandate the CLECs to provide detailed forecasts so that Pacific can manage its resources effectively.

#### **Issue 9: Penalties**

Pacific's proposed penalty scheme is reasonable and fair. It penalizes Pacific for substandard performance, yet rewards Pacific for providing the CLECs with better service than Pacific provides to itself. Under Pacific's penalty scheme, Pacific is "credited" when the level of service provided to the CLECs during the relevant period exceeds the level Pacific experiences on its retail side. In contrast, the CLECs' proposed schemes punish Pacific any time its level of service drops below parity, even if Pacific has been providing better service to the CLECs for the past several periods. As a result, Pacific is punished solely as a result of the arbitrarily-set length of the relevant measurement period, rather than fairly taking into consideration Pacific's overall performance during all other periods.<sup>6</sup> The penalty/reward system proposed by Pacific has been incorporated into the interconnection agreements of AT&T and MCI in Texas; and AT&T in Missouri.

Most important, the Commission should bear in mind that the greatest incentive at stake for Pacific is gaining approval for entry into the long-distance market. As the Commission has stated, the measurements established by the Commission in this proceeding will aid the Commission in evaluating Pacific's 271 application. While Pacific has proposed additional monetary penalties, the Commission should bear in mind, in determining the appropriate level of penalties, that Pacific has a tremendous amount of incentive at stake with respect to its 271 application. Accordingly, Pacific strongly urges the Commission to reject the draconian penalties suggested by certain CLECs. In particular, the Commission should reject the CLECs' proposal that any penalties

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<sup>6</sup> For example, if Pacific provides service to the CLECs at better than parity for six straight months, and then falters on the seventh, Pacific gets penalized under the CLECs' penalty proposals, even though Pacific probably provided better service to the CLECs over that entire seven month period. Pacific would be penalized solely as a result of the arbitrary decision to choose one month as the measurement period. In contrast, Pacific's "credit" system would balance out performance over time, making it a fairer system

established in the proceeding be cumulative to, or in addition to, any penalties contained in the interconnection agreements between the CLECs and Pacific. The penalties and performance measures established here should supersede those contained within the interconnection agreements. Any other result would be unjust and unfair for Pacific, which is already agreeing to expand dramatically the number of measures that it reports.

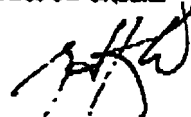
Finally, the penalties adopted by the Commission should not apply during the first 90 days that service is provided to any particular carrier. During the initial 90-day period, Pacific has found that numerous anomalies arise that potentially skew the data in one direction or the other.

#### **Procedural Issues**

Certain parties have suggested holding workshops, or possibly even more formalized proceedings. Pacific strongly opposes any delay in the adoption of performance measures. The measures proposed by Pacific will provide ample means for the Commission to monitor and evaluate Pacific's provisioning of OSS access to the CLECs. The measures are comprehensive and exhaustive, and provide an effective gauge for determining whether Pacific is providing resold services at parity to the CLECs, and providing the CLECs with a meaningful opportunity to compete using unbundled network elements.

Respectfully submitted,

PACIFIC BELL



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ED KOLTO-WININGER

140 New Montgomery Street, Rm. 1322  
San Francisco, California 94105  
(415) 545-9422

Its Attorney

Date: December 11, 1997

## **Resale Service Issues**

- ICG has experienced an incident where Pacific Bell changed an ICG business local exchange resale customer from ICG back to Pacific Bell without the customer ever requesting to go back to Pacific Bell. Additionally, Pacific Bell never had a Letter of Agency authorizing such changes. In fact, Pacific Bell attempted to keep the customer on Pacific Bell local exchange service by crediting the customer's Pacific Bell account all non-recurring charges associated with the change back to Pacific Bell business line service. In order to return the customer to ICG, and after obtaining a letter from the customer (attached), ICG was forced to escalate the incident to senior executive Pacific Bell management as well as re-execute Automated Service Requests. Further more, Pacific Bell improperly reassessed to ICG non-recurring change over charges associated with returning the customer to its carrier of choice, ICG, in which case ICG had to fight Pacific Bell to have the second set of non-recurring charges removed.

Documentation: Tab 4 - Customer letter from Sheet Metal Workers International Association.

- Pacific Bell frequently loses all local exchange service when migrating customers from Pacific Bell to ICG. Generally, service outage times average from four hours to 24+ hours.

Documentation: Tab 5 - Customer letter from AAA Flag & Banner Manufacturing Company Incorporated.

- Pacific Bell's poor OSS and LISC service cause CLC end-user customers to form a poor image of CLCs when reselling Pacific Bell loops. In fact, Sprint has filed an Advice Letter with the CPUC requesting to "grandfather" Pacific Bell resold local residential services.

Documentation: Tab 6 - Copy of Sprint Telecom. Ventures Advice Letter No. 44 and Statements of William Harrelson, counsel for MCI, and William Ettinger, counsel for AT&T, in IECs' complaint case against SBC/Pacific Bell explaining why IECs are no longer promoting resold services. AT&T Notice of Ex Parte Communication with CPUC, CPUC Case Numbers 96-12-026, 96-12-044, 97-02-021.

**LOCAL UNION NO. 108**

Sheet Metal Workers' International Association

**Memo**

**To:** Darlene Dudlos, Customer Service Supervisor  
**From:** Irma M. Beck  
**Date:** August 6, 1997  
**Re:** Pacific Bell

**On Friday, August 1, 1997, I received a telephone call from Aaron Gray in the "Customer Returns" department of Pacific Bell. His call was to tell me that he was glad to hear that we wanted to return our telephone service to Pacific Bell in our Bakersfield location. I immediately advised him that his information was incorrect and that we were suppose to be serviced by ICG. He continued to pressure me to give him the answers that he wanted to hear which was that we wanted to have service from Pacific Bell in the Bakersfield location.**

**At no time during my conversation with Aaron Gray did I indicate that we wanted to return to Pacific Bell and I also told him that we had purchased new telephones and had additional lines installed to accommodate our decision to have ICG provide our telephone service. I told him several times that we had never signed an "Agency Letter" giving them permission to switch us back to Pacific Bell on June 11, 1997 and that I would appreciate it if Pacific Bell would return the unauthorized service to ICG. During our conversation, Aaron mentioned that they "switch" customers back to Pacific Bell "all the time" on a verbal conversation and the "Agency Letter" was only a formality.**

**At no time during this telephone call did I tell him that we wanted to return to Pacific Bell. I also told him that we would not be responsible for any install fees connected with their decision to take the service back to Pacific Bell without a signed "Agency Letter" from our office.**

**Darlene, my primary concern in this entire matter is that there is not an interruption of service at our Bakersfield location when the lines are returned to ICG. They are working great at the present time and I want to be positive that ICG can provide all services that are in place now without any problems.**

**If you have any questions, please call me at (213) 481-2050.**

**How Telephone Company Works:**

- 93305  
(44)

- 323-4461

**Das User interface (auch systemeinstellung)**

- 1.) The WTTM will change when End User's provider of local service changes from Telephony Company to ICG Telecom Group, Inc.

- Discipline:** OCIS 542 Management

Roy A. Ringwood



DAREKSHIELD

## Letter of Agency

## Dear Telephone Company Manager:

1. Identity of Principal and Issuing Telephone Number(s) (BTN(s)): This Letter of Agency (LOA) provides to the BTN(s) identified on the attached page. The Undersigned (see below) subscribes to Telephone Company's local service with respect to the BTN(s), and the undersigned has the necessary authority to sign this LOA on behalf of the End User. End User's billing address is:

ALC4 3. Lucas AVE L03 PHOENIX AZ 85017  
(Address) (City) (State) (Zip)

2. Intent and Understanding of End User: End User intends to change the provider of local service to the BTN(s) identified in paragraph 1 and to the associated working telephone numbers (numbers identified on the attached page), ("WTN(s)") from Telephone Company to select End User undertakes (check appropriate box):

- [ ] The WTN(s) will remain the same after End User's provider of local service changes from Telephone Company to ICG Telecom Group, Inc.  
[ ] The WTN(s) will change when End User's provider of local service changes from Telephone Company to ICG Telecom Group, Inc. unless ICG Telecom Group, Inc. orders Directory Number Call Forwarding service from Telephone Company.

[ ] The WTN(s) will change when End User's provider of local service changes from Telephone Company to ICG Telecom Group, Inc.

3. Indemnification of and Assurances by ICG Telecom Group, Inc.: The End User authorizes ICG Telecom Group, Inc. and ICG Telecom Group, Inc. ("Agency") accepts the authority to act as the agent of the End User for the purpose of changing the provider of local service from Telephone Company to ICG Telecom Group, Inc.

4. Customer Service Record ("CSR") Information: End user authorizes ICG Telecom Group, Inc. to change from Telephone Company's information contained in Telephone Company's CSR for ICG Telecom Group, Inc.'s service associated with the BTN(s) identified in paragraph 1 above. This authorization is limited to the extent that (a) ICG Telecom Group, Inc. complies with CSR information in conjunction with changing the provider of local service from Telephone Company to ICG Telecom Group, Inc. and (b) Telephone Company is legally required or, in its sole discretion, determines to provide such CSR information to local service.

5. Exclusivity of Authority: The authorization set forth in the LOA is exclusive with respect to the local service provided to the BTN(s) identified in paragraph 1.

6. Warranty of ICG Telecom Group, Inc.: ICG Telecom Group, Inc. warrants the validity of this LOA to any third person, including Telephone Company, in whom ICG Telecom Group, Inc. shows the original or a copy of this LOA and who relies on this LOA with respect to the scope of ICG Telecom Group, Inc. authority to act on behalf of End User.

7. Reversion of All Previous LOAs: This LOA overrides any previous LOAs regarding local service provided to the BTN(s) identified in paragraph 1.

8. Effective Date and Term of Agency: This LOA takes effect on/after and will remain in effect until canceled or revoked by End User in writing.

ICG Telecom Group, Inc.

By [Signature]  
(Authorized Representative)

Name: Nick Milane  
(Print)

Title: ACCO MGR

SHORT SERIAL NUMBERS 4-001108  
(Customer's Name)

By [Signature]  
(Authorized Representative)

Name: Ray P. Casanova  
(Print)

Title: BUSINESS MANAGER

Revised: \_\_\_\_\_  
(ICG Sales Management)



TELECOM GROUP, INC.

P.O. Box 6742 Englewood, Colorado 80133-6742 1-800-450-5940

John Daulton  
415-545-1712  
Customer Retention Unit

**From:** Dudics, Darlene/CSR-IRV  
**Sent:** Monday, July 28, 1997 7:23 PM  
**To:** Holdridge, Bruce/Sr Dir Gov Af  
**Subject:** FW: Our 1st SLAM

415-542-4516

Bruce, this is a letter I sent Tony Jaramia, our PB Manager, explaining what transpired over the last month. I asked him at the time for assistance and he told me that there is a Letter of Agency on file. When I asked him to forward it to me, he said that it is Proprietary Information and that he was unable to send me a copy. I then conferenced on the customer who requested a copy be faxed. he also denied that request stating that she would have to call her local business office for a copy. She has tried that twice and has been refused each time. She was actually told that this was done verbally and that it happens all the time.

The customer has a bill for approx \$500 for installation charges for returning to PB. She is refusing to pay, but until they are migrated back to ICG, there is a chance PB will take them down for non-pay. Because the LISC is demanding that we place an additional order to migrate this customer back to ICG, ICG will inturn be charge again for the RESALE order.  
HELP!!!!, this has been a issue since 6-17-97. Thanks, Dar

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**From:** Dudics, Darlene/CSR-IRV  
**Sent:** Thursday, July 10, 1997 6:14 PM  
**To:** Dudics, Darlene/CSR-IRV  
**Subject:** FW: Our 1st SLAM

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**From:** Dudics, Darlene/CSR-IRV  
**Sent:** Wednesday, June 18, 1997 6:14 PM  
**To:** Holdridge, Bruce/Sr Dir Gov Af  
**Subject:** Our 1st SLAM

Tony,

PON 15919

Sheetmetal Work , 805-323-4461, 4464, 1104 and 3286 migrated as RESALE to ICG May 1997.

On June 17, 1997 the customer received a bill from Pacific Bell for install charges for the migration back to Pacific Bell. 6-17-97 we received a Migration Confirmation from Pacific Bell. Our Resale Account had been slammed by Pacific Bell.

The customer called the 800-750-2355 on the bill to find out who authorized going back to Pacific Bell. She was told that a person in the Bakersfield office verbally approved it. She explained that the person in Bakersfield has no authority to change their services and that they were in receipt of a letter of Agency to sign, which they chose not to sign. When she asked why a Letter of Agency was requested and yet the order was done on a verbal, she was told that "it happens all the time".

At the time of our migration, the phones naturally went down. When that happened the gentlemen in Bakersfield called Pacific Bell to report trouble. He was told that the lines now belong to ICG but if he would sign a Letter of Agency, they would process back to Pacific Bell. He did received the Letter of Agency, which he forwarded to the LA office and because they had no desire to go back with Pacific Bell it was never signed and sent in to Pacific Bell.

The customer does not want to be with Pacific Bell and we are now being told that we must place a new order for RESALE to convert back to ICG.

If slamming is to be the practice, then a process needs to be in place at Pacific Bells level to work the order back to an IGC account. For IGC to place a RESALE order, time is involved for our reps to write the resale order and there are charges incurred when placing a Resale order. We do not have the resources for tracking those charges nor the trust that Pacific Bell will not automatically charge IGC for the process. We do not feel that we should be forced to a procedure when it has been created by unethical policies.

The customer also does not feel that the bill sent to them is valid or due. Since it was done without their authorization or knowledge, all charges need to be waived up to the time the account migrates back to IGC.

Tony, thank you for your assistance in the matter. It has been almost 4 weeks since this came to the attention of all concerned, and must be resolved immediately. Please call me.....

Darlene Dudics





# ICG

COMMUNICATIONS, INC.

Phone: 800/621-5003

Phone: 510/239-7000

Facsimile: 510/239-7037

## NORTHERN CALIFORNIA

### CONFIDENTIAL FACSIMILE

#### WARNING

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PLEASE DELIVER TO:

COMPANY NAME:

FACSIMILE NUMBER:

TELEPHONE NUMBER:

ALLEN JAFFEY  
JOHN DOOLITTLE + TOM BROADHEAD  
PACIFIC BELL  
415-512-7014 714-563-1330

FROM:

DATE:

NO. PAGES (Including Cover sheet)

BRUCE HODRIDGE  
8-8-97  
4

COMMENTS:

LET'S DO OUR HOMEWORK AND IDENTIFY THE  
AVAILABILITY OF CALL TRANSFER RESALE - THE VERTICAL  
SERVICE - PRIOR TO MAKING ANY MOVES TO THIS ACCOUNT.  
THE EFFORT IS TO MINIMIZE IMPACT TO THE CONSUMER.

SINCERELY, BRUCE HODRIDGE

\* IF THERE ARE ANY PROBLEMS WITH THIS TRANSMITTAL, PLEASE CALL SENDER\*